

REPORT

DATE: November 11, 2004

TO: Administration Committee
Regional Council

FROM: Justine Block, Deputy Legal Council (213) 236-1920
Email: block@scag.ca.gov

SUBJECT: Amendments to SCAG's Conflict of Interest Code Required by the
California Fair Political Practices Commission (FPPC)

EXECUTIVE DIRECTOR'S APPROVAL:



RECOMMENDED ACTION:

Approve the proposed amendments to the Conflict of Interest Code for the Southern California Association of Governments. The proposed amendments consist of 1) adding the designation of General Assembly Members, Manager of Finance, Internal Auditor, Manager of Special Projects, Manager of Government and Public Affairs and Supervising Human Resources Officer; and, 2) add a disclosure category specifically tailored to the managerial level positions. Other non-substantive changes are proposed to reflect the current organizational structure of the agency.

BACKGROUND:

Pursuant to the state Political Reform Act, SCAG is required to biennially review and amend if necessary, its Conflict of Interest Code (Code). The proposed amendments are necessary to ensure compliance with state requirements and to reflect changes in the composition and titles of SCAG staff.

The Code identifies who is required to disclose their financial interests. Disclosure is provided to the FPPC on a "Statement of Economic Interests" form (Form 700). The purpose of financial disclosure is to alert public officials to personal interests that might be affected while they are performing their official duties, i.e., making governmental decisions. Disclosure also helps inform the public about potential conflicts of interest.

During each biennial review, SCAG is specifically required to make sure that its Code accurately designates all positions that make or participate in making of governmental decisions; the disclosure categories assigned to those positions accurately require the disclosure of investments, business positions, interests in real property, and sources of income which may foreseeably be affected materially by the decisions made by those holding



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS

000044

REPORT

the designated positions; and the Code includes all other provisions required by Government Code Section 87302 and corresponding regulations, 2 CCR 18730.

Notices regarding the amendments to the Code were mailed to General Assembly members and other affected persons on October 15, 2004, initiating a 45-day comment period. The comment period ended on December 1. No written comments were received.

Attached is 1) the Notice of Intention to Amend the SCAG Conflict of Code; 2) proposed amendments to the SCAG Conflict of Interest Code; and, 3) explanations for the proposed amendments.

FISCAL IMPACT: None. *HC*



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

000045

**NOTICE OF INTENTION TO AMEND THE
SCAG CONFLICT OF INTEREST CODE**

NOTICE IS HEREBY GIVEN that the Southern California Association of Governments (SCAG) intends to amend its conflict of interest code pursuant to Government Code Section 87300. As required under Government Code Section 87302, the code will designate members and employees who must disclose certain investments, income, interests in real property and business positions, and who must disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

A written comment period has been established commencing on October 15, 2004 and terminating on December 1, 2004. Any interested person may present written comments concerning the proposed code amendments no later than December 1, 2004.

At this time, no public hearing has been scheduled concerning the proposed amendments. If any interested person or the person's representative requests a public hearing, he or she must do so no later than 15 days prior to the close of the written comment period.

SCAG has prepared a written explanation of the reasons for the proposed amendments. Copies of the proposed code amendments and all of the information upon which the amendments are based may be obtained from SCAG. Any inquiries, comments or requests for a public hearing should be directed to the contact person set forth below.

Justine Block, Deputy Legal Counsel
Southern California Association of Governments
818 West 7th Street, 12th Floor
Los Angeles, CA 90017
(213) 236-1920; Block@scag.ca.gov

**DECLARATION OF THE EXECUTIVE DIRECTOR FOR
THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

The proposed Conflict of Interest Code specifically enumerates each of the positions within the agency which involve the making or participation in the making of decisions which may foreseeably have a material financial effect on any financial interest. The agency has satisfied all of the requirements of Title 2, Division 6 of the California Code of Regulations §18750.1(b) preliminary to approval of the proposed code.

Executive Director
Southern California Association
of Governments

-AMENDED CONFLICT OF INTEREST CODE FOR THE
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Appendix

Designated Employee	Disclosure
<u>General Assembly Members</u>	<u>1</u>
<u>Regional Council Members</u>	<u>1</u>
Executive Director	
Deputy Executive Director	
Chief Financial Officer	
Chief Legal Counsel/and Director of Legal Services, Governmental Affairs, Human Resources and Contracts	
Deputy Legal Counsel	
Director of Performance Assessment	
Director of Planning and Policy	
Director of Information Services	
Director of Southern California	
Economic Partnership Department	
General Counsel	
<u>Manager of Finance</u>	<u>2</u>
<u>Internal Auditor</u>	
<u>Manager of Government and Public Affairs</u>	
<u>Manager of Special Projects</u>	
<u>Supervising Human Resources Officer</u>	
Consultant.	

Disclosure Categories

1. ~~1.~~ A designated employee in this category must report ~~All~~ investments, interests in real property, sources of income, and business positions.
2. A designated employee in this category must report investments in and income from individuals and entities that supply equipment, materials or services to SCAG

*Consultants shall be included in the list of designated employees and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitation:

The Executive Director may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this section. Such written determination shall include a description of the consultant's duties and, based on that description, a statement of the extent of the disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner as this conflict of interest code.

**EXPLANATION OF PROPOSED SUBSTANTIVE AMENDMENTS
TO THE CONFLICT OF INTEREST CODE
REQUIRED BY THE FAIR POLITICAL PRACTICES COMMISSION
FOR THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS**

1. Addition and designation of the General Assembly Members. The General Assembly is authorized under the SCAG Bylaws to make final decisions on behalf of the agency with regard to budget and policy matters.
2. Addition and designation of the Manager of Finance. The position involves negotiating with governmental agencies and consultants regarding financial interests, and making recommendations directly to the Chief Financial Officer and Administration Committee/Regional Council regarding SCAG funds.
3. Addition and designation of the Internal Auditor. The position involves analysis and recommendations to the decision-makers regarding pre-award audit reports and consultant audit services.
4. Addition and designation of the Manager of Government and Public Affairs. The position entails recommending approval of consultant work and budget directly to the Deputy Executive Director, and is authorized to negotiate significant policy and legislative issues with outside agencies.
5. Addition and designation of the Manager of Special Projects. The position involves negotiating with funding agencies regarding approval of OWP projects and consultant contracts, and preparing grant applications that involve recommending approval of applications by the decision-makers.
6. Addition and designation of the Supervising Human Resources Officer. The position entails recommending approval directly to the decision-makers of consultant work and budget, and is authorized to negotiate benefits services on behalf of the agency.
7. Addition of disclosure category number 2. This disclosure category is narrowly tailored to apply to the newly added managerial-level positions.

Questions or comments regarding these amendments should be addressed to:

Justine Block, Deputy Legal Counsel
Southern California Association of Governments
818 West 7th Street, 12th Floor
Los Angeles, CA 90017-3435
(213) 236-1920